



**MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS**

FOR THE THREE MONTHS ENDED MARCH 31, 2020

(EXPRESSED IN CANADIAN DOLLARS)

SOLAR ALLIANCE ENERGY INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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(Expressed in Canadian Dollars)

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Solar Alliance Energy Inc. (the "Company" or "Solar Alliance") for the three months ended March 31, 2020 and up to the date of this MD&A, and has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management discussion and analysis for the fiscal year ended December 31, 2019 (the "Annual MD&A").

This MD&A should be read in conjunction with the Annual MD&A and the audited consolidated financial statements for the year ended December 31, 2019, together with the notes thereto, and the accompanying unaudited condensed consolidated interim financial statements and related notes thereto for the three months ended March 31, 2020 (the "Financial Report").

All financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is May 27, 2020.

Description of the Business

Solar Alliance is a reporting issuer in British Columbia and Alberta and its common shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol SOLR.

Solar Alliance is an energy solutions provider focused on residential, commercial and industrial solar installations. The Company operates in California, Tennessee, North/South Carolina and Kentucky and has an expanding pipeline of solar projects. Since it was founded in 2003, the Company has developed \$1 billion of wind and solar projects that provide enough electricity to power 150,000 homes. Solar Alliance's passion is improving life through ingenuity, simplicity and freedom of choice. Solar Alliance reduces or eliminates customers' vulnerability to rising energy costs, offers an environmentally-friendly source of electricity generation, and provides affordable, turnkey clean energy solutions.

Solar Alliance sees long term, sustained growth occurring in the commercial solar market and the new home residential solar market. The Company has focused its resources on three business units: large scale commercial, mid-sized commercial and SunBox.

Leadership

On January 27, 2020, the Company announced the appointment of Christina Wu to the position of Chief Financial Officer and Monique Hutchins to the position of Corporate Secretary.

Significant shareholder

On February 11, 2019, the Company issued 92,601,416 common shares at a price of \$0.03 per share to a company controlled by Tom Anderson to settle \$2,778,042 of principal and interest to January 31, 2019. Mr. Anderson is a private investor and entrepreneur with extensive experience, inter alia, in the Leisure & Entertainment, Oil and Gas, Bioscience, Industrial Tools Software and Healthcare businesses.

The conversion of debt from Mr. Anderson is a strong indication of support for Solar Alliance's long-term business plan in the U.S. solar industry and aligns the Company with a high net worth individual committed to Solar Alliance's long-term success. The support of Mr. Anderson also allows Solar Alliance to continue moving forward with the expansion of its commercial solar sales pipeline and the rollout of its SunBox standard solar system for residential builders.

The issue of these common shares increases the number of common shares under the control of Mr. Anderson from 6,241,666 to 98,843,082 which results in Mr. Anderson being a new control person of the Company as he currently owns or controls approximately 47% of the common shares of the Company. Mr. Anderson has acquired the shares for investment purposes and neither he, nor the companies he controls, have any present intention to acquire further securities of the Company although Mr. Anderson may acquire or dispose of common shares of the Company in the market, privately or otherwise, as circumstances or market conditions warrant.

In exchange for agreeing to the conversion of the convertible note and loans, the Company has agreed to pay Mr. Anderson 100% of the net proceeds currently being held in escrow for the ultimate benefit of the Company related to the 2008 sale of the Company's Ghost Pine Wind Project. In Q1, the Company reached a settlement with purchaser of the Ghost Pine Wind Project. The proceeds of \$200,000 was loaned to back to Company by Mr. Anderson.

Operational Highlights

The following highlights are from the Company's operations during the three months ended March 31, 2020 and the period up to the date of this MD&A.

Poultry Farm Project – On February 10, 2020 the Company announced it signed an agreement to build a commercial solar system at Lick Skillet Farm in Tennessee. The project will also include a U.S. Department of Agriculture grant application, which provides significant support for renewable energy projects for agricultural producers. Solar Alliance is proud to be working with Lick Skillet Farm, a multi-generational family business committed to restoring and protecting the environment.

Generac Preferred Installer – On February 19, 2020 the Company signed an agreement with Generac Power Systems, Inc. (NYSE: GNRC) to participate in the Clean Energy Aligned Contractor Program (the "Program"). Generac is the best-selling home backup generator brand in the United States and maintains a robust marketing and support infrastructure in the residential market. In cooperation with CED Greentech, Solar Alliance is now a preferred installer for the Generac PWRcell battery system. As part of the Program, Solar Alliance will receive leads for customers interested in the Generac PWRcell battery.

Maker's Mark Distillery – On February 27, 2020 the Company announced it had completed construction of the 200 kilowatt ("kW") solar system at Maker's Mark Distillery in Loretto, Kentucky. On September 11, 2019 Solar Alliance was awarded a contract through Kentucky Utilities Company's ("KU") Business Solar Program to build the 200 kilowatt solar system at Maker's Mark Distillery. Bringing renewable energy to the bourbon industry, this system will offset the energy needs required to maintain the facilities where bourbon is stored for aging.

Onni Manhattan Beach – On March 27, 2020 the Company announced it had completed the rooftop portion of the 519 kW solar system currently under construction for a division of Onni Group at Manhattan Beach Towers in California, a mid-rise, multi-tenant office building owned by the Vancouver-based developer. The rooftop portion of the system received permission to operate and is now in operation, producing renewable electricity for the office building. Solar Alliance is contracted for the design, procurement and construction management services for a combined rooftop and carport solar installation.

Trends

The Company believes that solar energy adoption is still in the early stages, and that the penetration of solar energy systems will continue to accelerate for the foreseeable future. The Company's vision is to continue to build market share in the solar energy systems sales and installation space. The market for residential, commercial and industrial solar energy systems remains strong and is growing.

According to the latest Renewable Energy Industry Outlook from Deloitte, the fundamental drivers of solar industry growth are poised to continue in 2020, supported by three trends coming into sharper focus that are likely to shape renewable growth in the coming year. Those trends include emerging policies that support renewable growth, expanding investor interest in the sector, and advancing technologies that boost solar energy's value to the grid, asset owners, and customers. The Deloitte report notes that increasing customer demand for renewable energy across almost all market segments continues to expand opportunities.

Results of Operations

Revenue for the three months ended March 31, 2020 was \$625,288 compared to \$213,547 in the comparative period. In the current period, the Company had received proceeds from the sale of an asset (Nextera /Ghostpine Windfarm) for \$199,062. Generally, the first quarter generates lower revenues as installations are at their lowest point during winter months. Installations typically increase during spring, summer and fall and the Company expects revenues to increase during the upcoming quarters as well.

The Company's gross profit was \$438,997 for the three months ended March 31, 2020 compared to \$108,603 comparative period or 70% and 51% respectively. The Company continues to focus on its commercial and industrial ("C&I") division acquired in November 2017 and it is expected that higher gross margins on C&I activities will continue as apposed to magins previously achieved on its residential sales, pre C&I acquisition.

Operating and selling expenditures, excluding non-cash depreciation and share-based compensation, were \$421,624 in the three months ended March 31, 2020 compared to \$430,956 in the comparative period, a decrease of 2%.

Liquidity and Capital Resources

Solar Alliance began the 2020 fiscal period with \$45,634 cash. During the three months ended March 31, 2020, the Company spent \$2,969 on operating activities, net of working capital changes, and used \$1,550 from financing activities, to end at March 31, 2020 with \$47,053 cash.

In January 2020, the Company issued 2,233,333 common shares at a price of \$0.05 per share to two companies controlled by officers of the Company to settle consulting fees of \$111,667 accrued to January 31, 2020.

As of March 31, 2020, the Company had a working capital deficiency of \$5,197,482. The cash and cash inflows from Solar Alliance operations are not currently sufficient to sustain the Company's operations and to pay the Company's obligations as they become due. Management intends to address the working capital deficiency through a combination of revenue growth, reduced expenses, and injections of capital through debt and equity issuances. There can be no assurance that management's plans will be successful or that the Company will be able to obtain the financial resources necessary. The Company's ability to continue as a going concern is dependent on the Company's ability to raise debt or equity funding in the near term to fulfill its obligations and ultimately in self-generating income and cash flows from its operations. The conditions described above give rise to a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern.

Related Party Transactions

The Company had no other related party transactions other than those incurred in the normal course of business as disclosed in the Financial Report.

Outstanding share data as at the date of this MD&A

	Common Shares Issued and Outstanding	Common Share Purchase Warrants	Common Share Purchase Options
Balance at March 31, 2020	219,602,719	50,222,575	21,450,000
Private placement	-	-	-
Options cancelled	-	-	-
Options granted	-	-	-
Balance at the date of this MD&A	219,602,719	50,225,575	21,450,000

Subsequent Events

On April 24, 2020, the Company entered into a settlement agreement (the "Debt Settlement Agreement") with Clark Public Affairs, Ltd ("Clark") to fully settle an aggregate of \$54,999 (the "Debt Settlement") of unpaid consulting fees recorded in the books of the Company for the three months ended March 31, 2020 by the issue of an aggregate of 2,199,960 common shares at \$0.025 per share as allowed by the temporary relief bulletin issued by the Toronto Stock Exchange on April 8, 2020.

On May 6, 2020, the Company entered into a settlement agreement (the "Debt Settlement Agreement") with certain directors to fully settle an aggregate of up to \$56,437 (the "Debt Settlement 2") of unpaid consulting fees recorded in the books of the Company by the issue of up to an aggregate of 2,257,500 common shares at \$0.025 per share as allowed by the temporary relief bulletin issued by the Toronto Stock Exchange on April 8, 2020.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. To date, Solar Alliance continues to install solar systems and has not laid off any staff. Solar Alliance is currently deemed an essential business by the state of Tennessee and will continue to remain operational. Solar Alliance will comply with all government directives and is taking steps to ensure the safety of our employees and customers. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

Cautionary Note regarding Forward looking information

This MD&A may include or incorporate by reference certain statements or disclosures that constitute "forward-looking information" under applicable securities laws. All information, other than statements of historical fact, included or incorporated by reference in this MD&A that addresses activities, events or developments that Solar Alliance or its management expects or anticipates will or may occur in the future constitute forward-looking information. Forward-looking information is provided through statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or continue. These forward-looking statements are based on certain assumptions and analyses made by Solar Alliance and its management in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances.

This MD&A contains forward-looking statements about the Company's objectives, strategies, financial condition, results of operations, cash flows and businesses. These statements are "forward-looking" because they are based on current expectations, estimates, assumptions, risks and uncertainties. These forward-looking statements are typically identified by future or conditional verbs such as "outlook", "believe", "anticipate", "estimate", "project", "expect", "intend", "plan", and terms and expressions of similar import.

Such forward-looking statements are subject to a number of risks and uncertainties which include, but are not limited to: financing risk, market demand, electricity pricing, regulatory policy, supplier risk, installation risk, competitor risk, safety risk, customer service risk, and fraud and cyber risks. Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. The Company does not guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place reliance on these forward-looking statements.

Forward-looking statements are based on the beliefs, estimates and opinions of Solar Alliance's management on the date the statements are made. Unless otherwise required by law, Solar Alliance expressly disclaims any intention and assumes no obligation to update or revise any forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, whether as a result of new information, future events or otherwise, and Solar Alliance does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information.

Additional information

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and on the Company's website at www.solaralliance.com.